



**SHAREHOLDER BOARD**  
**Wednesday 1 September 2021**

<b>REPORT TITLE:</b>	<b>WIRRAL EVOLUTIONS ANNUAL REPORT FOR 2020/21</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF LAW AND GOVERNANCE</b>

**REPORT SUMMARY**

This report presents the Annual Report for 2020/21 for Wirral Evolutions Limited, as required by the Shareholder Agreement. The report sets out the performance of the Company assessed against its Annual Business Plan, for the previous Financial Year.

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.

This matter affects all wards within the Borough.

This matter is not a Key Decision.

**RECOMMENDATION**

The Shareholder Board is recommended to note the Annual report for 2020/21 presented by Wirral Evolutions Limited in compliance with the requirements of the Shareholder Agreement.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

1.1 The Annual Report for 2020/21 is a report to the Shareholder which:

- (a) Demonstrates the activities and performance of the Company in the previous year;
- (b) Highlights such issues as Internal Governance, the Company's guiding principles, values and strategies;
- (c) Identifies the principal issues that the Company has faced and how it has responded to these;
- (d) Showcases delivery and outcomes; and
- (e) Sets out Strategic Priorities for the forthcoming year.

### **2.0 OTHER OPTIONS CONSIDERED**

2.1 No other options have been considered as the Annual Report is for Shareholder information only.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Wirral Council established Wirral Evolutions Limited in December 2015 as a private company limited by shares with Wirral Council as the sole shareholder. The company was originally set up to deliver adult social care services in Merseyside. There was an expectation that when Wirral Evolutions was established it would diversify and grow the business, increase activity, achieve economies and diversify its customer base, so that it was not solely depending on Council funding to enable it to be financially sustainable.
- 3.2 Approximately 97% of Wirral Evolutions' income is derived from a block contract with the Council to deliver Day Services for People with a Learning Disability. The current value of this contract with the Council is £5.015m for 2021/22. In normal circumstances the company also generates some additional vocational income which was forecasted to be £150,000 on its recent draft Annual Business Plan.
- 3.3 The Company occupies headquarters and delivery premises which are leased from the Council and buys back support services from the Council under an informal Service Level Agreement.
- 3.4 A shareholder agreement was agreed when the company was established which sets out how the parties have agreed to manage the affairs of the Company.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 There are no financial implications directly arising from the subject matter of this report.

#### **5.0 LEGAL IMPLICATIONS**

5.1 Wirral Evolutions was established with the appropriate Certificate of Incorporation for a Private Limited Company with associated articles in December 2015. The shareholder agreement was agreed on the formation of the company.

5.2 Wirral Council does not have a legal duty to provide day services but does have a legal duty to meet the assessed needs of adults requiring care and support.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 There are no direct implications to staffing, ICT or Assets arising from the subject matter of this report.

#### **7.0 RELEVANT RISKS**

7.1 Without a detailed Annual Report the Council as sole shareholder does not have a clear set of evidence to monitor the performance and effectiveness of the Company generally and in particular against the Shareholder Agreement, the Annual Plan, the Company's Corporate Strategy 2020/25. As such it currently has difficulty in making judgements on the company as an effective delivery model for discharging the Council's legal duty to meet the assessed needs of adults requiring care and support and whether the company is a viable going concern.

7.2 There is a reputational risk for the Council over the performance of its wholly owned company.

7.3 A comprehensive Annual Report is an important tool in mitigating these risks.

#### **8.0 ENGAGEMENT/CONSULTATION**

8.1 The Annual Report was developed in house by Wirral Evolutions Limited without reference to officers of the Council.

#### **9.0 EQUALITY IMPLICATIONS**

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

9.2 There are no direct equality implications arising from the subject matter of this report.

## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 There are no direct environment and climate implications arising from the subject matter of this report.

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## **APPENDICES**

Appendix 1 – Wirral Evolutions Annual Report

## **BACKGROUND PAPERS**

Shareholder Agreement

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>