



## SHAREHOLDER BOARD

Friday, 25 March 2022

REPORT TITLE:	<b>EDSENTIAL CIC ANNUAL BUSINESS PLANS FOR 2021 – 2022 AND 2022 – 2023</b>
REPORT OF:	<b>DIRECTOR OF LAW AND GOVERNANCE</b>

### REPORT SUMMARY

This report seeks approval to waive the requirement under the Shareholders Agreement for Edsential CIC ('the Company') to deliver a Business Plan for 2021 – 2022 and to approve the Annual Business Plan for 2022 - 2023 for the Company, as required by the Shareholders Agreement.

The Wirral Plan 2021 - 2026 sets out the Council's vision to secure the best possible future for the Council's residents and covers the following five themes:

- A thriving and inclusive economy, creating jobs and opportunities for all;
- A clean-energy, sustainable, borough, leading the way in tackling the environment crisis;
- Brighter futures for all regardless of their background;
- Safe and pleasant communities that our residents are proud of; and
- Healthy and active lives for all, with the right care, at the right time.

This report aligns with the themes of brighter futures for all regardless of their background; safe and pleasant communities that our residents are proud of and healthy and active lives for all, with the right care, at the right time.

This matter affects all wards within the Borough.

This matter is not a Key Decision.

### RECOMMENDATIONS

The Shareholder Board is recommended to;

- 1 Waive the obligation of Edsential CIC under the Shareholders Agreement to submit an Annual Business Plan for 2021 – 2022; and
- 2 Approve the Annual Business Plan for 2022 – 2023 presented by Edsential CIC in accordance with the requirements of the Shareholders Agreement.

## **SUPPORTING INFORMATION**

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

- 1.1 The Annual Business Plan for 2021 – 2022 was under discussion when service delivery by the Company was first interrupted and/or substantially altered by the lockdown imposed by Government in response to the COVID-19 pandemic. The Draft Annual Business Plan prepared for 2021 – 2022 became impracticable to follow and, because circumstances and the frequently and rapidly changing backdrop for service delivery meant that no meaningful revised Draft Annual Business Plan for 2021 – 2022 could be produced. The commercial position was managed by board reports and meetings. The Council is represented on the board of the Company.
- 1.2 The recommendations within this report enable the Shareholder Board to waive the obligation in the Shareholders Agreement to deliver an Annual Business Plan for 2021 – 2022 for approval and to consider and approve the Annual Business Plan for 2022-2023 (Appendix 1). This fulfils a requirement of the Shareholders Agreement between the Council and the Company. The appendices to this report contain exempt information as defined in Schedule 12 A of the Local Government Act 1972 as they contain commercially sensitive information.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 As the Annual Business Plan is for Shareholder information only, no other options have been considered.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The Council, Cheshire West and Chester Council and the Company are parties to a Shareholders Agreement dated 1 December 2015. This provides that the Company shall provide each shareholder a Business Plan for each financial year for approval. In terms of the Council's Constitution this responsibility rests with the Shareholder Board.
- 3.2 The Annual Business Plan of the Company for 2022 - 2023 (attached at Appendix 1) with associated Budget Commentary (attached at Appendix 2) sets out:
- (a) the objectives, plans and targets for the Company for the financial year commencing 1st April 2022 to 31st March 2023;
  - (b) a strategy review; and
  - (c) a financial summary/analysis.

### **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 The Company was established with the appropriate Certificate of Incorporation for a Private Limited Company/Community Interest Company with associated articles on 20 April 2015. The Shareholders Agreement was agreed on the formation of the Company.
- 5.2 The Company was established to provide and carry on activities which benefit all the inhabitants of the administrative areas of Cheshire West and Chester and Wirral Council and elsewhere, and, in particular, schools, educational facilities, children, young people, parents and adults by the provision of educational support services. In addition, the Company may conduct such other business as is set out in its Business Plan.
- 5.3 The Company is required to produce an Annual Business Plan to the Shareholder Board for approval in accordance with the terms of the Shareholder Agreement.

## **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 Business Plan the Council as shareholder does not have a clear set of objectives against which to monitor the performance and effectiveness of the Company generally and in particular against the Shareholder Agreement and the Company's Strategy.
- 7.2 There is a reputational risk for the Council over the performance of its partially owned company.
- 7.3 A comprehensive Annual Business Plan is an important tool in mitigating these risks.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The directors and senior employees of the Company have had an opportunity to comment on the content of this report prior to publication.

## **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.

## 11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 A well drafted and appropriate Business Plan is one of the hallmarks of a successful company. A well run and successful company and community support organisation will contribute to the development of a resilient local community.

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## APPENDICES

Appendix 1 – Annual Business Plan EXEMPT

Appendix 2 - Budget Commentary EXEMPT

## BACKGROUND PAPERS

Shareholders Agreement

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date