

Appointment of Light Blue Fibre Shareholder Representative

To: Assets and Procurement Committee

Meeting Date: 28 November 2023

From: Executive Director of Place and Sustainability

Electoral division(s): All

Key decision: No

Forward Plan ref: N/a

Outcome: This report seeks the approval to appoint the Council's Shareholder Representative for the Light Blue Fibre Joint Venture Company.

Recommendation: The Committee is recommended to:

Appoint the Executive Director of Place and Sustainability as the Council's Shareholder Representative for Light Blue Fibre Joint Venture Company.

Officer contact:

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1. Background

- 1.1 In July 2023, the Environment and Green Investment Committee received an update on the progress of the Light Blue Fibre (LBF), Joint Venture Company between Cambridgeshire County Council and the University of Cambridge. [Link to Committee Paper](#). The development of fibre assets in infrastructure schemes was highlighted as a key element of the Cambridgeshire and Peterborough Digital Strategy for 2021-25 (Link here). The Company was established to market and develop fibre assets on a commercial basis. The purpose was to simultaneously facilitate digital connectivity.

2. Main Issues

- 2.1 The company's governance structure incorporates three nominated directors from each organisation with a number of reserved matters which require sign off from the shareholders representative for each organisation. Current nominated LBF Directors are:

Organisation	Name
University	Senior Pro-Vice Chancellor
University	Director Information Services
University	Head of Infrastructure
Council	Service Director, Finance and Procurement
Council	Service Director, Planning Growth and Environment
Council	Light Blue Fibre Director, Programme Director for Connecting Cambridgeshire

- 2.2 Light Blue Fibre Director is directly reporting to the Connecting Cambridgeshire Programme Director and the current contract is coming to an end on 30th November 2023. To continue smooth running of Light Blue Fibre, a phased transition of the CCC leadership of LBF to the Connecting Cambridgeshire Programme Director has been in place for the last 10 months. Following the appointment of the new Director by the LBF Board, the required personnel change will be addressed in consultation with HR by 1st December.

Joint Venture Shareholders Agreement - Reserved Matters

- 2.2 The legal structure of the company is underpinned by the Joint Venture Shareholder Agreement (JVSA) which sets out the details of how the university and the Council will work together to run the company.
- 2.3 The JVSA includes matters which cannot be determined by the Directors and have to be authorised by the respective shareholders representatives. Any changes to existing licence terms or key changes to licences are "reserved matters" which are referred back to the respective shareholders representative for each organisation. The full list of reserved matters are included as a schedule within the JVSA as follows:

Matters reserved for shareholder approval

- The change of its name or articles of association.
- The commencement by the Company of any new business not being the Business.
- The declaration or payment of a dividend.
- The appointment or dismissal of a director otherwise than in accordance with clause 5.3.

- v. The admission of any person (whether by subscription or transfer) as a member of the Company.
- vi. The approval to extend the term of this agreement beyond the Initial Term or the Final Phase.
- vii. The entering into or making itself liable for any capital commitment (whether by way of purchase, lease, hire purchase or otherwise) which exceeds £25,000 (exclusive of VAT) in any financial year, except where such capital commitment is provided for in the Business Plan.
- viii. The entering into of a contract or arrangement under which it will incur costs of more than £25,000 in any financial year except where such capital commitment is provided for in the Business Plan
- ix. The borrowing of any monies or incurring any indebtedness or other liability.
- x. The grant, creation or allowing to arise any charge, security, pledge, mortgage, lien or encumbrance over any of its assets or shares or entry into any agreement to grant the same or any modification thereof (other than charges arising by operation of law in the ordinary course of business or as envisaged by any financing documents applicable to it).
- xi. The commencement, discontinuation or settlement of any litigation, mediation or arbitration or other proceedings where the amount claimed (either by or against it) together with any costs incurred (or likely to be incurred) in connection with such proceedings exceeds £25,000 (exclusive of VAT).
- xii. Application for the listing or trading of any shares or debt securities on any stock exchange or market.

2.4 The sole purpose of the shareholders representative role is to act on behalf of the Council in the event that there is a proposed change to an item that falls within the scope of reserved matters. To date this has not occurred and there has been no recourse to the shareholders representative for either organisation, however as outlined in “Upcoming Decisions” below, it is likely that a request to amend the licence term (item 6 above) will be forthcoming from the company by the end of 2023.

2.5 Initially, the Council’s LBF Shareholder Representative was the Deputy Chief Executive and Section 151 Officer. Then the Executive Director for Place and Economy (as was) was appointed for the role. Due to the change in personnel, it is recommended to assign the Shareholder Representative responsibility to the Executive Director for Place and Sustainability role who will act on the Council’s behalf.

Previous Approvals

2.6 The creation of the company was approved under the Committee structure of the previous administration, with approval to proceed being issued by the (as was) Commercial & Investment Committee and with ongoing governance oversight passing to the (then) Economy & Environment Committee, as part of the overall oversight of the Connecting Cambridgeshire Programme.

2.7 The Environment and Green Investment Committee does not currently have the delegation to act as shareholder representative for LBF. However the Assets and Procurement Committee has the delegation to act as shareholder representative for all wholly owned and joint venture companies which are not otherwise the responsibility of another committee, which would include LBF. Therefore, the delegation is required to be made by this committee.

- 2.7 In the latest committee restructuring , committee oversight of the Connecting Cambridgeshire Programme now sits with the Environment and Green Investment Committee, although this has not formally been recognised in the currently published [P&S Scheme of Authorisation](#)

Upcoming decisions

- 2.8 It is anticipated that there will be a formal request from the company to the Council to extend the licence term as part of any agreement with EU Networks side agreement and to offer an extended licence to City Fibre and potentially other Alt Net providers.

3. Alignment with ambitions

- 3.1 Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes

There are no significant implications for this ambition.

- 3.2 Travel across the county is safer and more environmentally sustainable

There are no significant implications for this ambition.

- 3.3 Health inequalities are reduced

There are no significant implications for this ambition.

- 3.4 People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs

There are no significant implications for this ambition.

- 3.5 Helping people out of poverty and income inequality

There are no significant implications for this ambition.

- 3.6 Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised

There are no significant implications for this ambition.

- 3.7 Children and young people have opportunities to thrive

There are no significant implications for this ambition.

4. Significant Implications

- 4.1 Resource Implications

There are no significant implications within this category.

- 4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

There are no significant implications within this category.

4.7 Public Health Implications

There are no significant implications within this category.

4.8 Climate Change and Environment Implications on Priority Areas

There are no significant implications within this category.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Sarah Heywood

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes Name of Legal Officer: Stephen Randall

Have the equality and diversity implications been cleared by your EqIA Super User? Yes Name of Officer: David Allatt

Have any engagement and communication implications been cleared by Communications? Yes Name of Officer: Kathryn Rogerson

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes Name of Officer: David Allatt

Have any Public Health implications been cleared by Public Health? Yes
Name of Officer: Kate Parker

If a Key decision, have any Climate Change and Environment implications been cleared by the Climate Change Officer?
Yes
Name of Officer: Emily Bolton

5. Source documents

5.1 Source documents

[Light Blue Fibre Annual Progress Report
- Environment and Green Investment Committee July 2023](#)

5.2 Location

New Shire Hall, Alconbury Weald