

## This Land – publication of Shareholders Agreement

To: Assets and Procurement Committee

Meeting Date: 28<sup>th</sup> November 2023

From: Executive Director Finance & Resources

Electoral division(s): All

Key decision: No

Forward Plan ref: N/a

Outcome: The Shareholders Agreement regulates the relationship between This Land Limited (“the Company”) and Cambridgeshire County Council (“the Council”) (as the company’s only shareholder). Through receiving the Shareholders Agreement at Committee, there is transparency as to the arrangements in place for the governance and management of the Company

Recommendation: The Committee is invited to note the Shareholders Agreement for This Land Limited

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## 1. Background

- 1.1 This Company (and its subsidiaries forming the This Land Group) is a housing development company wholly owned by the Council. The Company operates as an independent entity, with its own economic character and rather than being directed by the Council. The Company is led by a board of directors who set the strategy of the firm and hold the executive team to account. The board is comprised of:
- six non-executive directors (appointed by the shareholder, of whom four are independent, and the two non-independent non-executive directors, currently the Executive Director for Place and Sustainability and a Councillor) (the “Non-Executive directors”); and
  - two executive directors (the Company chief executive and chief finance officer) (the “Executive Directors”).
- 1.2 The Shareholders Agreement between the Council and the Company sets out the relationship and understanding between the Shareholder (Cambridgeshire County Council) and the Company for the purposes of conducting the business.
- 1.3 The Council has loaned £113.85m to the Company and also invested £5.85m as equity. In addition to the Shareholder Agreement, the Council has additional roles as the lender. There are also binding loan agreements, agreed for the long term loans advanced in the period up to 2021, which confer additional monitoring powers on the Council.
- 1.4 The Council is conducting a review of the governance arrangements that underpin the relationship with the Company and part of that has been a review of the Shareholders Agreement. At its meeting on the 11 July 2023, the then Strategy and Resources Committee delegated authority to agree the revised Shareholder Agreement to the section 151 officer. Following constitutional changes earlier in the Autumn, the Assets and Procurement Committee is now the shareholding committee for the Company, on behalf of the Council.
- 1.5 The revised Shareholders Agreement is published as an appendix to this report.

## 2. Main Issues

- 2.1 The review has confirmed that the existing Shareholders Agreement was not in need of significant change but there have been a number of amendments that will further improve governance.
- 2.2 The suggested revisions provide for the introduction of a Shareholder Review Group, which is internal to the Council. This will further formalise and coordinate the governance arrangements relating to the Company within the Council and has been established to support the Shareholder’s Representative and two Non-Executive Directors nominated by the Council. This new group will be an additional layer of governance and liaison between the Assets and Procurement Committee (as shareholder) and the Company Board. Briefing by This Land to Members through the shareholder regular updates will also continue. The Shareholder’s Representative is the Shareholder’s Section 151 Officer (or designated deputy).

- 2.3 To ensure this new group has effective oversight, the provisions for progress monitoring in Section 4 of the Agreement have been enhanced, for example to ensure that draft agenda and papers of all Board and committee meetings are received by the Shareholders Representative five 5 business days before the relevant meeting to which they relate and that copies of minutes of all Board and committee meetings are received fifteen (15) business days after the relevant meeting to which they relate.
- 2.4 The Shareholders Agreement has also been strengthened to ensure the draft business plan is received by the Shareholders Representative no later than 28<sup>th</sup> February for the following financial year. This continues moves in recent years to align the financial reporting years between the Company and the Council and to bring forward the consideration date for the Company business plan within the calendar year.

### 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 for this ambition.

### 4.3 Statutory, Legal and Risk Implications

The Shareholder Agreement is a legal document and has been considered by Pathfinder Legal Services, on behalf of the Council, as part of this review.

### 4.4 Equality and Diversity Implications

There are no significant implications for this ambition.

### 4.5 Engagement and Communications Implications

There are no significant implications for this ambition.

### 4.6 Localism and Local Member Involvement

There are no significant implications for this ambition.

### 4.7 Public Health Implications

There are no significant implications for this ambition.

### 4.8 Climate Change and Environment Implications on Priority Areas

#### 4.8.1 Implication 1: Energy efficient, low carbon buildings.

Neutral

#### 4.8.2 Implication 2: Low carbon transport.

Neutral

#### 4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Neutral

#### 4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral

#### 4.8.5 Implication 5: Water use, availability and management:

Neutral

#### 4.8.6 Implication 6: Air Pollution.

Neutral

#### 4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Neutral:

Have the resource implications been cleared by Finance? Yes  
Name of Officer: Michael Hudson

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 Officer: Stephen Randall

Have the equality and diversity implications been cleared by your EqIA Super User?  
No

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

Have any localism and Local Member involvement issues been cleared by your Service. No

Have any Public Health implications been cleared by Public Health? No

If a Key decision, have any Climate Change and Environment implications been cleared by the Climate Change Officer? No

## 5. Source documents

### 5.1 Source documents

Shareholder Agreement Comparison version